

CA20N
Z1
-22H027
#36

Ontario Hydro-Electric Inquiry
" Commission, 1922-1924

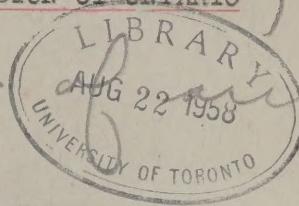
J. ALLAN ROSS
FINANCIAL

(A) 36

HYDRO-ELECTRIC INQUIRY COMMISSION

(HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO)

Reports on investigation



REPORT ON INVESTIGATION OF ACCOUNTS
OF
ESSEX SYSTEM
DATED NOVEMBER 23, 1922

Price, Waterhouse & Co.
ROYAL BANK BUILDING
TORONTO, ONT., CANADA

PRICE, WATERHOUSE & CO.

CANADA, UNITED STATES, MEXICO,
GREAT BRITAIN.

CONTINENTAL EUROPE, ETC.
PRICE, WATERHOUSE, PEAT & CO.
SOUTH AMERICA
PRICE, WATERHOUSE, FALLER & CO.
ALSO, GREAT BRITAIN
W. B. PEAT & CO.

ROYAL BANK BUILDING

TORONTO

November 23, 1922.

W. D. Gregory, Esq., Chairman,
Hydro-Electric Inquiry Commission,
Toronto, Ontario

Dear Sir:

ESSEX SYSTEM

As requested, we have made a general investigation of the accounts and records of the Essex System, owned and operated by the Hydro-Electric Power Commission of Ontario, and we have prepared therefrom and attach hereto the following statements:

Exhibit I Balance Sheets as at June 1, 1918,
and as at the close of each fiscal
year for the three years ending
October 31, 1921

- * II Operating Accounts
- * IIa Analysis, by Local Systems, of Revenue
from Sales of Electrical Power
- * IIb Detailed Statement of Operating
Expenses
- * III Excerpts from Agreement re the purchase,
by the Commission, of Certain Properties
from the Essex County Light & Power
Company, Limited
- * IV Capital Assets on Basis of Engineers' Valua-
tion as at Date of Purchase of System by
the Commission

Before reporting upon the accounts, we would first
briefly review the history and organization of the System.

HISTORY AND ORGANIZATION

The Essex System was purchased under the authority given to the Commission by the Power Commission Act, and more specifically by an Order-in-Council, dated April 9, 1918, approved by His Honour the Lieutenant Governor, as follows:

"Upon the recommendation of the Honourable W. D. McPherson, Acting Attorney General, the Committee of Council advise that in accordance with the accompanying report and recommendation of The Hydro-Electric Power Commission of Ontario and pursuant to clauses (c) and (h) of Section 8 of The Power Commission Act, Chapter 39, R.S.O. 1914 as enacted by section 3 of The Power Commission Act 1917, Chapter 20, 7 George V, the said Hydro-Electric Power Commission of Ontario be authorized to purchase, upon being satisfied as to the title to the same, the property, assets and undertakings of The Essex County Light and Power Company, Limited, as provided in the annexed agreement, for the sum of Two hundred and twenty-six thousand dollars (\$226,000) and to issue in payment of the said purchase price forty year bonds of the Commission, bearing interest at the rate of 4% for Two hundred thousand dollars (\$200,000) and ten year bonds of the Commission bearing interest at the rate of 5% for Twenty-six thousand dollars (\$26,000) and for the aforesaid purpose to enter into and execute the said annexed agreement.

The Committee further advise that in accordance with the said report and recommendation and pursuant to sections 14-(c) and 14-(d) of The Power Commission Act, Chapter 39, R.S.O. 1914, as enacted by section 5 of The Power Commission Act 1917, Chapter 20, 7 George V, Your Honour do agree on behalf of the Province of Ontario to guarantee the payment of the principal and interest of the said bonds.

And the Committee further advise that pursuant to section 14-(e) of The Power Commission Act, Chapter 39, R.S.O. 1914, as enacted by Section 5 of the Power Commission Act 1917, Chapter 20, 7 George V, Charles Hood Sproule, Assistant Treasurer of Ontario, be designated as the Officer to sign said guarantee on each of the above mentioned bonds on behalf of the Province of Ontario, such guarantee to be in the form following:

"By virtue of power conferred by the Legislature of the Province of Ontario, Canada, the Province of Ontario hereby guarantee to the holder of the within bond for the time being and to the holder for the time being of any of the coupons attached thereto, due payment of the principal of the within debenture and of the interest thereon, according to the tenor of the said debenture and of the coupons attached thereto."

Reference is made in the Order-in-Council, to the report and recommendation of the Hydro-Electric Power Commission, and in order to acquaint you with certain details therein, we quote the following excerpts from a letter dated March 27, 1918, addressed by the Commission to Sir William Hearst, Prime Minister of the Province:

"The Essex Light, Heat & Power Company are now, and have been for some years, operating a system of electric lighting and supplying all the small Municipalities in and around the City of Windsor, including Sandwich, Atherstburg, Leamington, Kingsville, and other places in that District, from their plant situated outside the City of Windsor, with light, heat and power. The system is owned by the Detroit Edison Company and contains about fifty five miles of transmission and distributing line.

The demand in this District for power having increased from time to time and the Company being unable to supply the same from their existing plant, they made arrangements with the Canada Salt Company to place equipment in their works and from that a supply of power was obtained. It is now arranged that a separate agreement be made with the Canada Salt Company to continue to supply the power as heretofore, to the Commission, until such times as the Commission are ready to supply the power from their own system, proper. The Edison Company undertaking in the agreement to supply the necessary coal to the Canada Salt Company for this purpose. The Municipalities have, on various occasions, applied to this Commission for relief. Interviews and negotiations have been had with the Company for a long time with a view of purchasing their plant and thereby eliminate any duplication and the Commission have now come to an agreement with the Company by which they are to purchase all the property in connection with the transmission, distribution and sub-stations, including all contracts, agreement, franchises and rights as set out in Schedule "A" to the agreement attached hereto, for the sum of Two hundred and twenty-six thousand dollars (\$226,000)."

The Commission, on May 22, 1918, entered into an Agreement with the Essex County Light & Power Company, Limited, referred to above, for the purchase of certain transmission lines and stations in the County of Essex, the distributing systems in the Municipalities of Leamington, Kingsville, Essex, Atherstburg, Harrow, Cottam and Canard River and a small amount of equipment, furniture and stores

pertaining to the System. Excerpts from the agreement are set forth on Exhibit III. The purchase was completed on June 1, 1918, and the purchase price of \$226,000 paid, in the following Hydro-Electric Power Commission of Ontario debentures, guaranteed by the Province of Ontario:

4%	40-year Debentures	\$200,000.00
5%	10-year Debentures	26,000.00
	<u>Total</u>	<u>\$226,000.00</u>

Further details in respect of these debentures are set forth on Exhibit IV, included in Memorandum re Bonds and Debentures Issued, submitted by us under date of July 26, 1922.

The assets acquired in the above mentioned purchase were valued by the engineers of the Commission as set forth in detail on Exhibit IV, a summary of which follows:

<u>Particulars</u>	<u>Amount</u>
Transmission Lines	\$104,099.71
Distributing Stations	32,779.57
Old Plant	4,464.24
Local Distributing System	84,355.48
<u>Total</u>	<u>\$226,000.00</u>

Subsequent to June 1, 1918, certain of the Plant and Equipment was sold or otherwise disposed of resulting in a net loss of \$13,851.55, on the basis of the engineers valuations shown above, which was charged to Intangible Capital Account. As an offset against such losses certain equipment, amounting to \$5,806.67 was acquired which was not included in the Engineers valuation and this sum together with an amount of \$252.35 representing proceeds of sales of sundry equipment was credited to Intangible Capital. As a result of the above transactions there remained a debit balance in Intangible Account as

at October 31, 1919 of \$7,792.53 made up as follows:

Losses on Equipment disposed of:

Sandwich Township to Sandwich	\$ 6,664.00
Old Plant	
Kingsville	\$ 1,010.15
Essex	420.00
Amherstburg	944.99
Harrow	380.99
	<hr/>
	\$ 2,756.13
Less- realized on Leamington	2,512.83
	<hr/>
Loss on 60 cycle Meters	\$ 6,807.30
	<hr/>
	7,044.25
	<hr/>
	\$13,851.55

Deduct-

Equipment not included in valuation:	
Tools and Equipment	\$ 239.50
Automobiles Trucks	660.00
Office Furniture and Equipment	797.20
Materials and Supplies	4,109.97
Sundry Equipment sold	<hr/>
Balance of Intangibles as	5,806.67
at October 31, 1919	252.35
	<hr/>
	6,059.02
	<hr/>
	\$ 7,792.53

The following charges and credits
have been made to this account
to October 31, 1921-

Year ending October 31, 1920	
Realized on old plant	\$ 2,506.06
Transformer and Meter Adjustments	822.52
	<hr/>
	\$ 3,328.58

Deduct

Surplus of Stores reversed	<hr/>
Balance as October 31, 1920	\$ 926.06
	<hr/>
	2,402.52
	<hr/>
	\$ 5,390.01

Year ending October 31, 1921	
Loss on sale of 60 cycle equipment	\$ 4,134.75

Deduct

Removal of voltage regulator	1,365.55
Land sold	1,273.30
Balance as at October 31, 1921	<hr/>
	2,638.85
	<hr/>
	1,495.90
	<hr/>
	\$ 6,085.91

The Essex System comprises the transmission lines, stations and distributing systems previously mentioned and is entirely owned by the Commission. There are no contracts, we were informed, whereby the system is to supply power to the Municipalities served at cost, as defined by the Power Commission Act, and it is therefore different, in this respect, as compared with certain other Systems operated by

the Commission.

Prior to February 1, 1919, the System was supplied with power purchased from the Canadian Salt Company, Limited, under an agreement dated April 27, 1918, the price paid being 1½ per K.W.H. Since February 1, 1919, the power has been supplied from the Niagara System.

BALANCE SHEET

CAPITAL INVESTMENT - \$372,776.16:

A condensed summary of the additions to properties from the inception of the System, June 1, 1918, to October 31, 1921, is as follows:

Transmission Lines, Stations,
Franchises, Goodwill, etc.-

Balance at June 1, 1918

\$221,890.03

Additions to properties-

From June 1, 1918 to October

31, 1918

\$ 31,282.14

For year ending October 31,

1919

90,074.98

1920

16,149.51

1921

13,379.50

150,886.13

Balance, October 31, 1921

\$372,776.16

The additions referred to above consist of the following:

Cost of additional equipment purchased and of equipping system with 25 cycle transformers, meters, etc. (less the value credited for 60 cycle equipment withdrawn from use)

\$ 62,218.69

Conversion of old steam plant building into office and storehouse building, and for minor installations of equipment

15,101.92

For improvement to existing transmission lines and construction of a feeder line from the Niagara System

30,984.40

For extensions to seven local distribution systems

35,822.65

Sundry small additions

6,761.47

Total

150,886.13

CASH IN BANK - \$4,869.48:

The amount on deposit in the Union Bank of Canada to the credit of the Commission at October 31, 1921, was \$4,869.48, and verification of this balance was made by Messrs. Clarkson, Gordon & Dilworth, who obtained a certificate from the depository confirming the balance.

ACCOUNTS RECEIVABLE - \$3,631.26:

The balance at October 31, 1921, of Accounts Receivable consists of -

Amounts due from consumers of

Light and Power:

Canard River	\$ 52.66
Amherstburg	394.49
Harrow	121.88
Kingsville	534.53
Lemmington	828.84
First Concession	29.03
Cotton	116.07
Basex	512.19
	<u>\$2,589.69</u>

Amounts due in respect of sales
of sundry supplies

1,041.57

Total

\$3,631.26

This amount has been compared with statements received from Lemmington, where the Accounts Receivable ledgers of the System are kept, and it is stated by the Accountant of the Commission that no bad or doubtful accounts are included therein.

MORTGAGE RECEIVABLE - \$1,112.85:

The above amount represents a five year mortgage dated September 1, 1921, which is secured by certain land sold to J. L. Graham. The terms of the mortgage provide for the payment of interest at 7% per annum, and \$100.00 per annum on account of principal.

MATERIALS AND SUPPLIES - \$18,512.39:

The above amount represents a physical inventory of materials and supplies on hand at October 31, 1921, and consists of -

General Stores	\$14,982.85
Transformers and Meters - Stores	3,529.56
<u>Total</u>	<u>\$18,512.39</u>

The inventories were ascertained by physical stocktaking and as stated by Mr. Guilfoyle of Messrs. Clarkson, Gordon & Dilworth, the individual inventory sheets were certified to be correct by the local manager of the System, scrutinized and approved by the Commission's purchasing agent, and test checks made by the Auditors of the clerical accuracy of the inventories. The basis of valuation was thought by Mr. Guilfoyle to be fair.

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO - \$375,141.34:

Debentures issued by Commission to cover
Purchase Price of System - \$226,000 -

The amount of \$226,000 represents, in effect, a long term advance to the Essex System by the Hydro-Electric Power Commission, in respect of which the Commission issued the following debentures, which are carried on the books of the Commission as its direct liability to the public:

4% Debentures due June 1, 1968	\$200,000.00
5% Debentures due June 1, 1928	25,000.00
<u>Total</u>	<u>\$226,000.00</u>

A corresponding amount of \$226,000.00 is included as an asset under the caption of Investments and Advances, in the balance sheet of the Hydro-Electric Power Commission, and upon consolidation of the accounts, this account on the Essex balance sheet and the

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Douglas - *W. H. Johnson* 21 - *1936* - *1936* - *1936* - *1936*

Investment and Advance account on the balance sheet of the Commission, proper, would offset one another, leaving on the consolidated balance sheet the \$226,000 representing the direct liability to the public in respect of debentures issued.

These debentures, as previously mentioned, represent the purchase consideration for the Essex System, and in Mr. Clarkson's report it is stated that -

"The provisions of the Power Commission Act do not appear to require that sinking funds be established to meet the same - this for the reason, as I am advised by legal counsel, that the guarantee of such bonds by the Province does not constitute an advance within the meaning of Section 25 of the Act."

From the commencement of operations to October 31, 1921, the Commission has included in the cost of power to the consumers in the Essex System, a sufficient provision for sinking fund to retire these bonds at maturity, but in view of the fact that there was a deficit of \$32,766.32, from operation of the System from the commencement thereof, to October 31, 1921, and a consequent depletion of available funds, the investment, in securities, of an amount equivalent to the sinking fund reserve of \$15,300.85, requires to be deferred.

It should be mentioned that, while the provision for sinking fund is based on the life of the securities, \$200,000.00 of debentures, mature forty years from the date thereof, June 1, 1918, and \$26,000.00 debentures mature ten years from the same date of issue. Although any requirement for the sinking fund, in connection with these issues does not appear to come within the provisions of the Power Commission Act, it is interesting to note in connection therewith that, at the end of a thirty year period, sinking fund would, provided the past practice be followed, amount to approximately \$144,000, made up as follows:

Issue of \$200,000 maturing in 40 years, the amount accumulated at the end of 30 years on the basis of a 40 year period, would be approximately	\$118,000.00
Issue of \$26,000 maturing in 10 years, the amount accumulated over the life of the Bonds (now being provided) would of course, at the end of the 10 year period amount to	26,000.00
<u>Total</u>	<u>\$144,000.00</u>

Cash Advances by the Hydro-Electric Power
Commission of Ontario - \$149,141.34:

The cash advances as at October 31, 1921, aggregating \$149,141.34 represent sums advanced from time to time by the Hydro-Electric Power Commission of Ontario, including an amount of \$22,000.00 advanced by the Provincial Treasurer to the Commission during the fiscal year ending October 31, 1921, for the purposes of the Essex System.

In this connection it should be pointed out that the advances of \$127,141.34 by the Commission, have been made by the Commission out of advances by the Province for the purpose of other systems or from any reserve and general funds which the Commission may have had in hand. A reserve for sinking fund is not being provided in respect of the total cash advances by the Commission and by the Province.

ACCOUNTS PAYABLE AND ACCRUED EXPENSES - \$1,256.31:

This amount represents Accounts Payable of \$1,234.67, together with luxury tax payable in the amount of \$21.64. Assurance has been given by the Accountant of the Commission that all liabilities as at October 31, 1921, in respect of operating expenses of the System were included in the accounts as at that date.

CONSUMERS' DEPOSITS - \$257.26:

Sums deposited by householders as at October 31, 1921, in respect of the cost of installation of wiring, etc., amounted to \$257.26, which is to be applied against the cost of the work upon completion.

RESERVE FOR SINKING FUND - \$15,328.85:

A reserve for retirement of the debentures of \$226,000 referred to above has been made as follows:

For the period from June 1, 1918 to October 31, 1918	\$1,778.97
For the year ending October 31, 1919	4,269.54
For the year ending October 31, 1920	4,269.54
For the year ending October 31, 1921	4,269.54
<u>Total</u>	<u>\$14,587.59</u>
Add- Interest at 4% per annum during the above period	741.26
<u>Total</u>	<u>\$15,328.85</u>

With reference to the sinking fund account Mr. Clarkson, in his report for the year ending October 31, 1921, says:

"With the purchase price of the Essex System paid for by the issue of bonds of the Commission guaranteed by the Province of Ontario, the provisions of the Power Commission Act do not appear to require that sinking funds be established to meet the same - this for the reason, as I am advised by legal counsel, that the guarantee of such bonds by the Province does not constitute an advance within the meaning of Section 23 of the Act. With no municipalities under contract with the Commission to pay cost for power delivered by the Essex System, there would also appear to be no provisions in the Power Commission Act requiring the establishment of Sinking Funds for repayment of the advances by the Province and the Commission to the Essex System.

"While not required by the Power Commission Act so to do, the Commission has, for the whole period of operation to October 31, 1921, included sinking fund instalments - of amount sufficient to meet the bonds given in purchase of the System

at the maturity thereof- in the costs of power to the System and the sums so placed to the credit of Sinking Fund account to October 31, 1921, amounted to \$15,328.85. With a deficit of \$32,766.32 met with in operation of the System to that date, annual collection of such sinking funds had not been effected by the Commission but stood included in and comprising part of such deficit. Accordingly, the Commission was not and will not be required, under the provisions of Section 15 of the Act, to invest such sinking funds in securities of the Province of Ontario for delivery to the Treasurer of Ontario until such time as the earnings of the System shall have repaid the deficit."

RESERVE FOR RENEWALS - \$41,684.70:

The balance in the Reserve for Renewals of works and lines of the Essex System amounted, at October 31, 1921 to \$41,684.70 and may be briefly summarized as follows:

<u>Period</u>	<u>Annual Provision</u>	<u>Interest at 4%</u>	<u>Together</u>
Five Months ending October 31, 1918	\$ 3,716.17	\$	\$ 3,716.17
Fiscal year ending October 31, 1919	9,883.96	148.65	10,032.61
1920	12,769.47	549.95	13,309.42
1921	13,782.40	1,082.33	14,814.73
	<u>\$40,092.00</u>	<u>\$1,780.93</u>	<u>\$41,872.93</u>
<u>Deduct</u>			
Sundry Charges		174.03	
Interest on same		14.20	188.23
<u>Balance, October 31, 1921</u>			<u>\$41,684.70</u>

Additions to the reserve are provided by an annual charge of 4% on the Capital Investment together with interest at the rate of 4% per annum, on the balance in the Reserve Account. The sinking fund basis of making additions to the reserve at the rate of 4% with interest at 4% per annum is equivalent to a so-called straight line provision of approximately 5% for a period of eighteen years. That is, while the annual provisions under the two methods differ in amount,

either method would accumulate the sum required within that period provided no charges were made against the account.

The renewal rate of 4% was established on the basis of the classification of the Capital Investment prepared by the Engineering Department of the Commission shortly after the date of acquisition of the properties in 1918. The rates applied against the wood pole lines and distributing stations are the same as those arrived at on similar properties of the Niagara System, taking into consideration the estimated life, residual values, etc., while the rate used for Distributing Systems is the one recommended by the Commission to various municipalities in respect of similar equipment. The statement in support of the flat rate on the sinking fund basis is as follows:

<u>Classification of Properties</u>	<u>Capital Investment</u>	<u>Percentages used (sinking fund basis)</u>	<u>Annual Provision Required</u>
Wood Pole Lines	\$104,553.00	4.20	\$ 4,382.83
Distributing Stations	33,493.00	3.35	1,122.02
Distributing Systems	87,721.51	4.00	3,508.86
<u>Total (exclusive of old plant)</u>	<u>\$225,567.51</u>	<u>-</u>	<u>\$ 9,013.71</u>
(\$9,013.71 is 3.99% of \$225,567.51)			

OPERATING DEFICIT - \$32,766.32;

As a result of the operation of the Essex System by the Hydro-Electric Power Commission of Ontario, the deficit for the entire period of operations, after providing for fixed charges, but not including sinking fund on cash advances, amounted as at October 31, 1921, to \$32,766.32, incurred as follows:

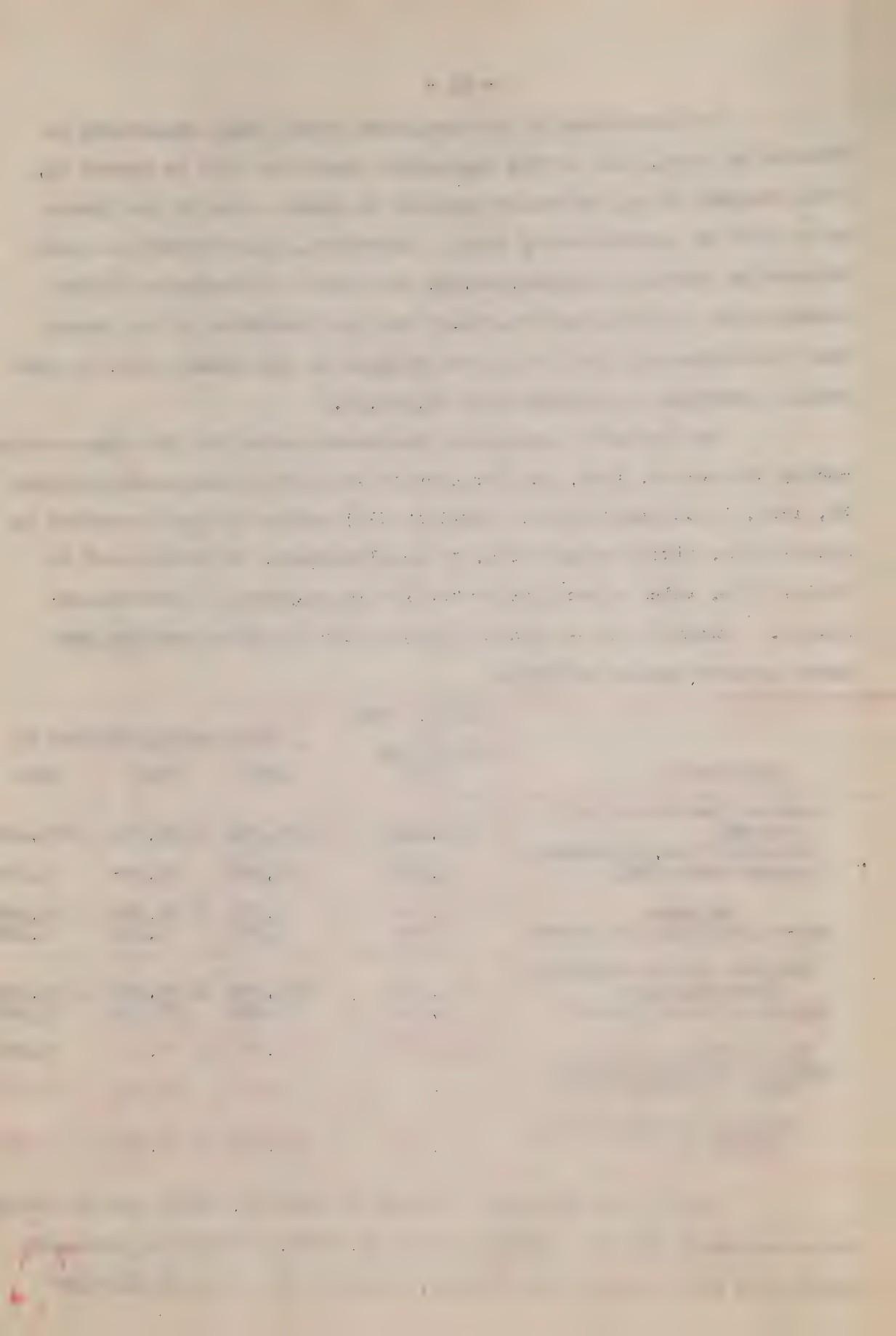
Loss in the period from June 1, 1918 to October 31, 1918		\$12,687.27
Loss during the year ending October 31, 1919		19,294.53
" " " " " " " " " " " " 1920		9,336.06
<u>Total</u>		<u>\$41,316.86</u>
Less- Profit for the year ending October, 31, 1921		8,550.54
<u>Deficit as at October 31, 1921</u>		<u>\$32,766.32</u>

The Accountant of the Commission stated that subsequent to October 31, 1921, and for the ten months from that date to August 31, 1922, subject to any necessary revision in power costs to the System as a whole as ascertained by annual adjustment, this deficit has been reduced by approximately \$19,500.00, and that he estimates a further reduction of approximately \$4,500.00 for the remainder of the fiscal year to October 31, 1922, which would leave at the latter date, on this basis, a deficit of approximately \$8,800.00.

The operating account of the Resex System for the five months ending October 31, 1918, and for each of the three years ending October 31, 1921, is attached hereto (Exhibit II) and is in turn supported by Exhibit IIa, giving an analysis, by local systems, of Revenue and by Exhibit IIb, which shows further details in respect of operating expenses. Following is a brief summary of the operating results for these periods (cents omitted) :

Particulars	June 1, 1918 to October 31 1918	Year ending October 31		
		1919	1920	1921
Revenue (per Operating Account)	\$17,263	\$ 53,895	\$ 25,762	\$111,419
Operating Cost, (including power purchased)	20,906	46,341	63,069	68,172
<u>Balance</u>	<u>\$ 2,523</u>	<u>7,554</u>	<u>\$ 22,593</u>	<u>\$ 43,247</u>
Add- Miscellaneous Income	560	2,536	3,263	2,405
<u>Balance before deducting Fixed Charges</u>	<u>\$ 2,983</u>	<u>\$10,090</u>	<u>\$ 25,956</u>	<u>\$ 45,652</u>
Deduct - Fixed Charges	9,694	29,385	35,261	37,101
<u>Net Profit or Loss</u>	<u>\$12,697</u>	<u>\$19,295</u>	<u>\$ 0,356</u>	<u>\$ 8,551</u>
Deficit brought forward from preceding period	-	12,697	31,956	41,317
<u>Deficit as per Balance sheet</u>	<u>\$12,697</u>	<u>\$31,956</u>	<u>\$ 41,317</u>	<u>\$ 32,766</u>

During the five months ending October 31, 1918, and the first three months of the year ending October 31, 1919, the System purchased power from the Canadian Salt Company, Limited, at a cost of 1½ per



K.W.H.; since February 1, 1919, the power has been purchased from the Niagara System, on the cost basis, in respect of which the following data are offered (cents omitted from total amounts):

<u>Power Purchased from</u>	<u>Horse Power</u>	<u>Total Amount</u>	<u>Per H. P.</u>
<u>Year ending Oct. 31, 1919-</u>			
Niagara System	440	\$ 14,451	\$ 32.84
Canadian Salt Company (3 months to February 1, 1919)		7,757	
<u>Total</u>		<u>\$ 22,208</u>	
<u>Year ending Oct. 31, 1920-</u>			
Niagara System	972	\$ 29,395	\$ 30.76
<u>Year ending Oct. 31, 1921</u>	<u>1,070</u>	<u>\$ 34,875</u>	<u>\$ 32.01</u>

The miscellaneous income shown on Exhibit II was, for the three years ending October 31, 1921, composed of the following:

<u>Particulars</u>	<u>Year ending October 31</u>		
	<u>1919</u>	<u>1920</u>	<u>1921</u>
Profit on Sales and on Wiring:			
Lewington	\$1,821.06	\$2,576.97	\$ 900.18
Miscellaneous Income: (including discounts for- feited)			
Lewington	\$ 313.74	\$ 109.38	\$ 525.02
First Concession		2.32	60.39
Kingsville	100.87	108.53	100.70
Cottam	1.42	11.60	18.52
Bassex	80.22	125.63	277.63
Narrow	29.48	57.20	63.12
Ashurstburg	188.21	203.85	385.40
Canard River	3.48	-	5.27
<u>Total</u>	<u>\$2,585.64</u>	<u>\$3,263.57</u>	<u>\$2,405.23</u>

It should be mentioned in connection with this statement that revenue account is credited, with the net amount only of service bills, and in such instances where the discount allowances are lost, through failure of customers to pay bills within the specified time, such

discounts subsequently paid upon settlement of accounts, are credited to miscellaneous income.

CONCLUSION

Suggestion is made that some thought be given to the eventual disposition of this System for the following reasons, among others, viz:

- (a) The users of power in the Municipalities served by this System are not obtaining such power on the basis of cost and in this respect are in a position different from the other municipalities served by the Hydro-Electric Power Commission.
- (b) The various municipalities are contributing to a sinking fund for retirement of the \$225,000.00 of debentures originally issued in connection with the purchase of the property and are therefore acquiring equities, not defined or protected by the regular form of contract, and in only that part of the property represented by the debenture issues.
- (c) Funds approximating \$150,000.00 have been advanced by or through the Hydro-Electric Power Commission to, and invested in capital assets of, this system and no sinking fund provisions are being made with a view to the repayment of such advances.

Yours very truly,

PricewaterhouseCo

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

ESSEX SYSTEM

COMPARATIVE BALANCE SHEETS

ASSETS	June 1 1918	Year ending 1918	October 31 1919	October 31 1920	1921
CAPITAL ASSETS:					
Transmission Lines, Stations, Franchises, Goodwill, etc.	\$230,193.33	251,436.50	312,568.83	359,188.30	367,156.32
Tools and Equipment	239.50	256.92	29,185.37	18,975.76	2,751.15
Automobiles, Trucks, etc.	660.00	510.00	337.00	159.00	1,600.00
Office Furniture and Equipment	707.20	965.75	1,155.75	1,173.60	1,288.69
	\$231,890.03	253,172.17	343,247.15	359,396.66	372,776.16
CURRENT and HOLDING ASSETS:					
Cash in Bank	\$ -	-	-	-	4,860.48
Accounts Receivable	-	7,380.40	7,680.13	3,207.36	3,631.26
Mortgage Receivable	-	-	-	-	1,112.88
Materials and Supplies	4,109.97	6,800.00	10,536.64	9,412.29	18,512.30
	\$ 4,109.97	14,198.49	18,186.77	12,619.65	28,125.98
DEFERRED EXPENSES					
Unexpired Insurance	\$ -	184.93	-	-	-
Total	\$326,000.00	267,555.59	361,433.92	372,016.31	400,902.14
OPERATING DEFICIT					
	\$ -	12,687.27	31,981.80	41,316.86	32,766.38
	\$326,000.00	280,242.86	393,415.72	413,333.17	433,668.46
LIABILITIES					
HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO:					
Debentures issued by Commission to cover purchase price of System	\$326,000.00	226,000.00	226,000.00	226,000.00	226,000.00
Cash advances	-	48,747.72	147,721.30	140,516.68	*149,141.34
	\$326,000.00	274,747.72	373,721.30	375,516.68	375,141.34
CURRENT and ACCRUED LIABILITIES:					
Accounts Payable and Accrued Expenses	\$ -	-	-	41.15	1,256.31
Consumers' Deposits	-	-	-	264.14	257.26
	\$ -	-	-	305.29	1,513.57
RESERVES:					
For Sinking Fund	\$ -	1,778.97	6,119.67	10,633.99	15,328.85
For Renewals	-	3,716.17	13,574.75	26,877.21	41,684.70
	\$ -	5,495.14	19,694.42	37,511.20	57,013.55
	\$326,000.00	280,242.86	393,415.72	413,333.17	433,668.46

* NOTE:

Includes cash advances by the Commission out
of sums advanced for the purposes of the System
by the Province of Ontario, aggregating \$22,000.

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO
ESSEX SYSTEM - OPERATING ACCOUNT

Particulars	June 1 to October 31, 1918	Year ending October 31		
		1919	1920	1921
<u>REVENUE:</u>				
Lighting - Residential	\$ 7,056.29	21,557.28	30,765.89	42,474.40
Lighting - Commercial	4,375.62	14,296.46	22,872.78	30,295.57
Power - Commercial	3,518.70	12,797.87	26,044.23	32,172.68
Power - Municipal	148.31	-	-	-
Street Lighting - Incandescent Regular	2,154.30	5,244.36	6,078.78	6,476.71
<u>Total Revenue</u>	\$17,285.30	53,995.97	88,761.68	111,419.36
<u>COST of OPERATING, including portion of Administrative Expenses:</u>				
Power purchased	\$11,528.30	22,238.81	20,894.97	34,875.26
Power System (per attached Statement)	3,996.77	8,951.29	10,646.29	4,002.92
Local System (per attached Statement)	6,181.58	15,151.50	22,527.80	29,294.19
<u>Total Expenses</u>	\$20,806.65	46,341.60	63,059.06	68,172.37
<u>Balances</u>	\$ 3,588.35	7,554.37	22,892.62	43,246.99
<u>ADD - Miscellaneous Income</u>	\$ 659.94	2,335.64	3,263.57	2,405.23
<u>Profit or Loss before deducting Fixed Charges</u>	\$ 2,895.41	10,090.01	26,956.19	43,652.22
<u>DEDUCT - Fixed Charges</u>				
Interest on Capital Investment	\$ 4,198.72	15,231.04	18,262.24	19,099.74
Provision for Renewals of Lines, Stations and Distributing Systems	3,716.17	9,883.96	12,759.47	13,732.40
Provision for Sinking Fund	1,778.97	4,269.54	4,269.54	4,269.54
<u>Net Profit or Loss</u>	\$ 9,693.86	29,384.54	35,291.25	37,101.68
<u>Deficit brought forward from preceding period</u>	\$12,687.27	11,246.35	16,335.06	8,850.54
<u>Deficit as per Balance Sheet</u>	\$12,687.27	21,990.00	41,316.86	59,766.32

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

ESSIX SYSTEM

ANALYSIS, BY LOCAL SYSTEMS, OF REVENUE FROM SALES OF
ELECTRICAL POWER

(Subsidiary to Operating Account, Exhibit II).

Particulars	Total	Residential Lighting	Commercial Lighting	Street Lighting	Commercial Power
YEAR ENDING OCTOBER 31, 1919:					
Leamington	\$ 18,257.72	\$ 7,881.03	\$ 5,186.50	\$ 2,404.84	\$ 2,785.35
First Concession	1,463.10	990.47	176.32	-	366.31
Kingsville	5,280.30	4,719.08	2,509.76	1,005.90	48.46
Cottam	597.73	160.11	369.73	-	67.99
Essex	6,418.40	3,996.30	2,369.26	865.97	756.19
Harrow	4,647.10	1,196.84	887.73	387.08	2,205.75
Amherstburg	14,001.75	4,226.30	2,687.56	580.57	6,505.32
Canard River	229.97	85.36	60.01	-	55.60
Total	\$ 53,895.97	\$ 21,557.28	\$ 14,296.46	\$ 6,244.86	\$ 12,797.87
YEAR ENDING OCTOBER 31, 1920:					
Leamington	\$ 25,971.82	\$ 11,238.16	\$ 8,809.49	\$ 2,698.82	\$ 3,225.35
First Concession	5,464.22	2,092.21	286.66	-	3,085.35
Kingsville	11,436.70	5,920.22	3,483.38	1,122.12	912.98
Cottam	1,173.73	295.93	494.06	8.27	375.47
Essex	11,711.76	5,485.62	3,978.28	1,063.68	3,196.01
Harrow	6,311.54	1,671.69	1,301.79	416.63	3,021.23
Amherstburg	23,282.57	5,817.93	4,487.91	748.89	12,227.84
Canard River	407.34	376.13	31.21	-	-
Total	\$ 85,761.68	\$ 30,765.89	\$ 22,372.78	\$ 6,078.78	\$ 26,044.23
YEAR ENDING OCTOBER 31, 1921:					
Leamington	\$ 33,459.00	\$ 15,046.68	\$ 11,896.76	\$ 2,762.94	\$ 3,748.62
First Concession	6,864.46	2,836.38	200.22	-	3,827.91
Kingsville	16,082.47	7,768.52	4,330.93	1,223.03	2,759.99
Cottam	2,125.25	538.37	625.32	259.76	721.50
Essex	14,986.64	4,772.67	4,830.12	1,074.82	4,309.03
Harrow	6,976.25	1,307.26	2,163.46	442.66	2,562.87
Amherstburg	30,319.71	9,192.58	6,151.17	733.50	14,242.46
Canard River	609.56	511.97	97.59	-	-
Total	\$ 111,419.36	\$ 42,174.40	\$ 30,295.87	\$ 6,476.71	\$ 32,172.68

HYDRO - ELECTRIC POWER COMMISSION OF ONTARIO

ESSEX SYSTEM - OPERATING ACCOUNT

(Subsidiary to Operating Statement)

Particulars	June 1 to October 31. 1918	Year ending October 31		
	1919	1920	1921	
POWER SYSTEM:				
Line Maintenance	692.85	1,468.35	3,259.92	1,290.59
Station Maintenance	157.41	1,122.13	2,327.61	657.17
Station Operation	174.19	1,059.79	1,125.50	775.25
Power System Administration	1,644.39	3,427.40	2,172.20	1,079.91
Insurance	281.07	105.67	155.59	-
Maintenance & Operation - Utility Equipment	1,046.88	654.96	1,314.47	-
Taxes	-	1,092.99	-	-
	\$ 3,096.77	\$ 951.29	10,646.39	4,002.92
LOCAL SYSTEMS:				
Distribution System -				
Labor Inspecting, Miscellaneous Supplies, etc.	116.86	103.87	333.49	431.55
Maintenance	456.33	1,960.29	5,954.63	5,947.61
Consumers Overhead Services - Maintenance	114.34	397.33	977.27	1,073.71
Transformers and Devices -				
Labor, Supplies and Expenses	27.78	611.42	602.83	921.87
Maintenance	15.27	228.15	878.21	2,314.48
Meters and Devices -				
Labor, Supplies and Expenses	166.66	408.96	209.40	94.92
Maintenance	2.73	60.93	201.37	104.14
Street Lighting -				
Patrol, Supplies and Expenses	54.13	75.56	19.14	817.66
Renewals	249.87	374.15	508.34	785.87
Maintenance	201.47	518.17	665.87	112.07
Consumers' Accounts and New Business Expense -				
Meter Reading, Billing and Collection,				
Salaries and Commission	859.36	1,488.35	1,769.80	2,296.27
Supplies and Expenses	152.23	324.84	335.99	505.96
Uncollectible Accounts	-	226.40	62.75	156.91
Promotion of Business, Salaries and Expenses, etc.	-	4.05	20.43	215.65
Local Superintendence and General Expense -				
Salaries of Local Officers and Clerks	2,361.45	6,076.50	7,849.50	7,529.37
Miscellaneous - Office Supplies and Expenses	135.20	65.00	1,132.24	921.89
" - General Expense	902.88	814.14	719.64	1,798.67
Taxes, Insurance, etc.	41.81	252.78	363.44	1,337.88
Stores & Utility Equipment Expenses (including Stores Department) -	146.47	506.40	615.87	87.13
HEAD OFFICE ADMINISTRATION:				
Engineering - Salaries and Expenses	-	-	-	814.11
Municipal Auditing	-	-	-	168.29
Proportion of Administration Office Expense	586.91	656.20	467.93	831.60
Total	16,181.58	15,181.58	22,527.80	29,294.19

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIOESSEX SYSTEM

Excerpts from Agreement dated May 22, 1918 between the Essex County Light and Power Company, Limited (Vendor) and the Hydro-Electric Power Commission of Ontario (Purchaser).

Section One: The Vendor shall sell and the Purchaser shall purchase all the property, assets and undertakings of every kind and nature of the Vendor as the same existed on the 31st day of December, 1917 as follows:

- (a) The good will of the said business.
- (b) All the freehold and leasehold lands, easements and interests in lands owned by the Vendor.
- (c) All the plant, machinery, furniture, patents, licenses, stock in trade, stores, goods, chattels, property and effects to which the Vendor is entitled or which are in use by the Vendor or to which the Vendor is entitled in connection with the said business.
- (d) The franchises, contracts and engagements of the Vendor, as set out in Schedule "A" hereto attached and forming part of this agreement, all the rights of the Vendor thereunder and the full benefit thereof and all other pending contracts and engagements or existing franchises to which the Vendor is or may be entitled in connection with its said business.
- (e) All the other property to which the Vendor is entitled in connection with the said business, except all the Vendor's cash, promissory notes, book accounts and other bills and accounts receivable to which the Vendor is entitled on the 31st day of May 1918.

Section Two: From the property hereinbefore described the Vendor excepts and reserves the following properties which are not hereby sold or agreed to be sold to the Purchaser, namely:

- (a) All the real estate owned by the Vendor in the Town of Sandwich.
- (b) The substation and substation equipment located in the Town of Sandwich.
- (c) The steam turbine plant and condenser equipment, piping and all other equipment, the property of the Vendor, installed in the plant of the Canadian Salt Company, Limited, at Sandwich, Ontario.
- (d) The overhead lines connecting the substation of the Vendor with the Vendor's said equipment installed on the property of the Canadian Salt Company, Limited, in Sandwich, Ontario.

- 2 -

(e) The overhead lines connecting the said substation of the Vendor with the steam plant of the Canadian Salt Company, Limited, in their works in the City of Windsor, but where such overhead lines are carried on 22,000 volt pole lines of the Vendor, only the connecting wires above referred to are excluded from the sale and are to remain the property of the Vendor, the poles and 22,000 volt wires becoming the property of the Purchaser.

(f) The stock of wiring material, electric appliances and supplies of any kind or nature handled by the Vendor in its merchandise business in stock at its various offices on the date hereinafter provided for the completion of the purchase. The intent of this provision is that spare parts for substation or line equipment, or material kept in stock for repairs of lines and substations are to be included in the purchase, but material or supplies intended to be sold to customers and which therefore would not become additions to the property, are to be excluded from the said purchase.

Section Three: Part of the consideration for the sale shall be Two Hundred and Twenty-six Thousand Dollars (\$226,000.) and shall be paid and satisfied as follows:

(a) The sum of Two Hundred Thousand Dollars (\$200,000.) by the delivery to the Vendor of the debentures of the Purchaser guaranteed as hereinafter provided for, of the par value of Two Hundred Thousand Dollars (\$200,000.) bearing the date hereinafter fixed for completion, in denominations of One Thousand Dollars each, or such denominations being multiples of One Hundred Dollars (\$100.) as the Vendor shall in writing require, payable Forty Years from the date of issue and bearing interest at the rate of four per cent (4%) payable half-yearly.

(b) The sum of Twenty-Six Thousand Dollars (\$26,000.) by the delivery to the Vendor of the debentures of the Purchaser guaranteed as hereinafter provided for, for the sum of Twenty-six Thousand Dollars (\$26,000.) bearing the date hereinafter fixed for completion, in denominations of One Thousand Dollars (\$1,000.) each, or such denominations being multiples of One Hundred Dollars (\$100.) as the Vendor shall in writing require, payable ten years from the date thereof and bearing interest at the rate of five per cent (5%) payable half-yearly.

Section Four: This section describes the bonds issued in consideration of the properties herein mentioned.

Section Five: The assets and undertakings hereby sold are to be free from all liens, charges or incumbrances, but as regards leaseholds subject to the rents and covenants contained in any leases or agreement for leases under which the same are held, and as regards all Municipal Franchises, subject to the obligations therein expressed to be performed or done after the date herein fixed for completion. Should it happen that at the date herein fixed for completion the Vendor is unable to satisfy any liens, charges or incumbrances on the property sold, or any portion thereof, the Vendor agrees that the Purchaser, as a guarantee for the due payment and discharge of such liens, charges or incumbrances by the Vendor, may retain an amount of the said debentures of the Purchaser equal to one hundred and fifty (150) per centum of the principal of said liens, charges or incumbrances as of the date hereinafter provided for the completion of the

purchase, to protect the Purchaser against any loss due to the Vendor not satisfying and discharging any of the said liens, charges or incumbrances as the same become due and payable, together with any interest thereon and any costs, damages or expenses which the Purchaser may be compelled to pay by reasons of the Vendor's default.

Section Six: As the balance of the consideration, the Purchaser shall assume the contracts and agreements of the Vendor in connection with its said business, a list of which is hereto attached as Schedule "A". It being understood, however, that the Purchaser shall assume only such obligations in connection with the said contracts as may be within the power of the Purchaser under the Power Commission Act of Ontario, and amendments thereto.

Section Eleven: The Vendor shall transfer, assign, surrender and give up to the Purchaser the franchises and agreements in Schedule "B" hereto referred to, and the full benefit thereof and all rights of whatever nature enjoyed by the Vendor or to which the Vendor may be entitled under any such franchises, agreements and the right to use and occupy the highways or any portion of the same within the limits of the said County of Essex, in the Province of Ontario, and the right to furnish electric light, heat, power and energy to any inhabitant thereof or to any person, firm or corporation within the said limits of the County of Essex, so as to confer upon the Purchaser the full right and authority to carry on the business of supplying electric light, heat, power or energy as fully and effectually as the Vendor has heretofore carried on the said business within the said County of Essex.

Section Twelve: The purchase shall be completed at the office of the Hydro-Electric Power Commission of Ontario, 190 University Avenue, Toronto, Ontario, on Saturday the first day of June, 1913, when possession of the premises shall as far as practicable be given to the Purchaser, and the Vendor shall execute and deliver to the Purchaser, due and proper conveyances, transfers and assignments of all the property and rights hereby sold by the Vendor to the Purchaser and the consideration shall be paid and satisfied save the retention by the Purchaser of such part of the debentures as may be necessary to secure the due discharge of any liens, charges or incumbrances as hereinbefore provided and thereafter the Vendor and all necessary parties shall at the expense of the Purchaser execute and do all assurances and things as may be necessary to vest the said premises in the said Purchaser and giving to the Purchaser the full benefit of this agreement as may be reasonably required.

Section Thirteen: And in consideration of the purchase by the Purchaser from the Vendor, as hereinbefore provided, the Edison Company hereby undertakes and agrees that the Vendor shall duly grant, transfer and assign the property, rights and franchises hereby agreed to be sold to the Purchaser and duly and punctually perform all the agreements and obligations hereof undertaken by the Vendor and that in default thereof the Edison Company undertakes to perform and satisfy the same.

SCHEDULE "A"

LIST OF FRANCHISES, AND OTHER AGREEMENTS,
TO BE ATTACHED TO AGREEMENT BETWEEN

ESSEX COUNTY LIGHT & POWER COMPANY, LIMITED,
HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO,
and
THE DETROIT EDISON COMPANY.

1918.

- 1- Franchise By-Law #514, of the Township of Anderdon
- 2- Franchise By-Law #955. " " " " Mearns
- 3- Franchise By-Law #161, " " " " Colchester South -
(The Village of Harrow)
- 4- Franchise By-Law #388, of the Township of Colchester South,
" " " " #405 " " " " " " Amending above By-Law #388
- 5- Assignment by James A. Secord to Robert J. Stewart of certain
rights in the Village of Harrow
- 6- Franchise By-Law #871, of the Township of Mearns
- 7- Franchise By-Law #186, " " " " Gosfield South *E*
- 8- Franchise By-Law #571, " " " " Colchester North *E*
- 9- Assignment by the Essex Light & Power Co., Ltd., to the Essex
County Light & Power Co., Ltd., of all rights and interests
in Franchise By-Law #424, of the Town of Essex.
- 10- Assignment by the Kingsville Electric Light Company, Ltd., to
the Essex County Light & Power Co., Ltd., of its rights and
interests in By-Law #100 of the Town of Kingsville.
- 11- Assignment by the Amherstburg Electric Light, Heat & Power Co.,
Ltd., to the Essex County Light & Power Co., Ltd., of its
rights and interests in all By-Laws passed by the Town of
Amherstburg granting to said Amherstburg Electric Light,
Heat & Power Co., Ltd., rights and privileges pertaining to
the business of operating an electric light system in said
Town.
- 12- Franchise By-Law #240, of the Township of Gosfield North
- 13- Franchise By-Law #455, of the Township of Sandwich West
- 14- Franchise By-Law #474, " " " " Sandwich West

- 15- Assignment by the Leamington Light & Heat Company, Ltd., to the Essex County Light & Power Co., Ltd., of its rights and interests in By-Law #414, of the Town of Leamington.
- 16- Franchise By-Law #414, of the Town of Leamington.
- 17- Franchise By-Law #410, " " " Sandwich.
- 18- Agreement with the Town of Sandwich, provided for in above By-Law #410.
- 19- Franchise By-Law #492, of the Township of Malden
" " #505, amending By-Law #492, together with the agreement accepting By-Laws, assignments, etc.
- 20- Franchise By-Law #582, covering additional rights in the Township of Anderdon.
- 21- Agreement with the Bell Telephone Co. of Canada, for joint use of poles in certain places in the Town of Leamington.
- 22- Letter regarding joint pole line lead with the Windsor, Essex & Lake Shore Railroad.
- 23- Lease between Essex County Light & Power Company, Ltd., and Lionel H. Robinson, of a piece of land in the Township of Mersea, near the Town of Leamington, to be used for an outdoor substation.
- 24- Agreement between Essex County Light & Power Co., Ltd., and Annie A. Thomas, covering right-of-way in the Town of Kingsville.
- 25- Agreement between Leamington Light & Heat Company, Ltd., and Forest Conover, covering right-of-way in the Town of Leamington.
- 26- Agreement between Kingsville Electric Light Co., Ltd., and Hubert Wigle, covering right-of-way across farm of said Hubert Wigle.
- 27- Agreement between Leamington Light & Heat Company, Ltd., and H. Curtis, covering right-of-way in Leamington.
- 28- Agreement between the Kingsville Electric Light Co., Ltd., and Lucinda McLean, covering right-of-way in the Town of Kingsville.
- 29- Agreement between Kingsville Electric Light Co., Ltd., and W. A. Grenville, covering right-of-way in the Town of Kingsville.
- 30- Agreement between Kingsville Electric Light Co., Ltd., and Alex Augustine for right-of-way across farm of said Alex Augustine
- 31- Agreement between Essex County Light & Power Co., Ltd., and Lucinda Augustine and daughters, covering right-of-way in the Township of Gosfield South.

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIOESSEX SYSTEM

CAPITAL ASSETS ON BASIS OF ENGINEERS' VALUATION
AS AT DATE OF PURCHASE OF SYSTEM BY THE COMMISSION
ON JUNE 1, 1918

<u>Particulars</u>	<u>Amount</u>
<u>POWER SYSTEM:</u>	
<u>Transmission Lines-</u>	
Sandwich Tap to Sandwich	\$ 12,801.51
Sandwich Tap to Canard River	7,623.83
Canard River to Amherstburg Tap	10,549.98
Amherstburg Tap to Amherstburg Tap	4,530.28
Amherstburg Tap to Harrow	16,901.88
Harrow to Kingsville	13,305.74
Kingsville to Junction	1,438.46
Junction to Leamington	9,709.60
Junction to Cottam Junction	7,551.91
Cottam Junction to Cottam Junction	1,078.84
Cottam Junction to Essex	6,832.68
4000 volt line, 1st Concession	11,775.00
Total Transmission Lines	<u>104,099.71</u>
<u>Distributing Stations-</u>	
Leamington	\$ 3,189.52
Kingsville	12,674.18
Essex	1,119.43
Amherstburg	12,902.63
Harrow	1,288.10
Cottam	753.98
Canard River	851.73
Total Distributing Stations	<u>\$ 32,779.57</u>
<u>Old Plant-</u>	
Leamington	\$ 889.11
Kingsville	1,384.85
Essex	400.00
Amherstburg	939.99
Harrow	850.29
Total Old Plant	<u>\$ 4,464.24</u>
Total Power System	<u>\$141,343.52</u>
<u>LOCAL DISTRIBUTING SYSTEM:</u>	
Leamington	\$ 28,748.27
Kingsville	21,696.04
Essex	11,414.69
Amherstburg	14,726.54
Harrow	6,879.64
Cottam	472.85
Canard River	718.25
Total Local Distributing System	<u>\$ 84,656.48</u>
Total	<u>\$226,000.00</u>

